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TRANSCRIPT OF E.H. KNOCHE ADDRESS TO EMPLOYEES ON 31 MAY 1977

Well, thank you ladies and gentlemen for coming. I wanted to exchange some views with you on some personal impressions I have about the status of the Agency -- where it stands today, what its future looks like -- and then to spend some time in questions and answers to get from you the kinds of concerns you might have. I asked to have as wide an audience as I could get for the occasion today, so there are three auditorium sessions. I just finished one, this is the second, and we'll conclude this about a quarter after so as to give time to fill up the auditorium the third time.

First of all, there is no doubt about it. All of us, everyone of us, has a deep feeling of uncertainty about things. It is an understandable feeling that we have. It grows out of a variety of matters. One is we are adjusting to a new administration. It always takes a little time to make that kind of an adjustment, to relate intelligence to a new administration. We are adjusting to a new Director of Central Intelligence. In our case, this is the fifth one in four and one-half years; and any change of that frequency, in any organization, comes with a certain amount of trauma -- no question about it. And then third -- realignment, reorganization looms -- the prospects for change in the way we go about our organization, are front and center -- all of these create their own uncertainties. But if I look across the board at the pluses and minuses that surround us in the Agency, I find far more pluses than I do minuses; and let me go down the list of some of them.

First of all, the new administration, from the time we first joined up with it -- two weeks after the election at a meeting down at Plains with the President-elect and the Vice-President-elect -- has been attentive to intelligence, understanding of it, supportive of it, wants its input in the deliberations in the making of foreign policy, and it is using that input. It also wants to understand our activities and our processes so that it can guide, direct, control. And I think this is precisely the way we were made to function best -- under that kind of Presidential guidance, direction, and control. This President is well aware of the past and some of the abuses of Presidential authority. He has got an eye out for the propriety and the legality of what he does and says when he tasks us; but it is working as the text book says it should work.

This attitude on the part of the new administration has been there since the first meeting we had in Plains on the 18th of November. It endured through the transition; and then on January 20th, Inauguration Day, for a period of time up until Admiral Turner's arrival, I was the Acting Director and had to relate the intelligence world and its product to a new administration. And that attitude continued through that period of time.

And through it all, I found a President and a Secretary of State and Secretary of Defense who did not recoil, in any way, from concepts of clandestinity, security, secrecy, cover -- the hallmarks of our activities. And that is kind of interesting, because in a President whose heartfelt motto is openness, one would not necessarily expect that. But he instinctively realizes the necessity for all those things and the way we go about our work.

He had one very specific action that he laid on 48 hours after he took office -- at his first National Security Council meeting -- where he told the members of the National Security Council that he had been reading the President's Daily Brief during the transition; and he said if it was useful to the previous Administration, it certainly would not be useful to him -- it was too bland. In his view, it did not include the very best intelligence that he knew CIA has; and he said he thought the reason for that is that there are too many recipients. He said he was going to scale the number back to five -- the President, the Vice-President, Secretary of State, Secretary of Defense, and Advisor Brzezinski, no more -- no deputies, no aides, no assistants. And then he told us in CIA to put our very best intelligence in it, because your inhibitions from the secrecy standpoint have been removed.

So as most of you know, we have been working very hard at that ever since that day. And every evening we go over the drafts of the PDB. ensure, largely because of the strong efforts of all of the Divisions in the DDC, we ensure that we have the very best and hardest information available who we pass those final judgments along. As a separate matter, I would have to say to you that with regard to covert action, it is fundamentally agreed -and we have got our marching orders -- we will maintain the capability for covert action; and it's up to us to keep it well honed, well developed, But I think that it will be a last resort -- rarely used. and ready upon need. This Administration will try all overt means first before employing covert mean to deal with a crisis; and one of its hallmarks too is to try to insulate a crisis from a direct confrontation between East and West. function remains, and the capability must be as sharp as we can make it, I doubt that we are tasked significantly in covert action in the foreseeable fut Approved For Release 2004/07/08: CIA-RDP80M00165A002600110017-7

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Another plus. The Senate Select Committee on Intelligence gives us more oversight than we are comfortable with; but it is supportive, understanding, and has become both a critic and an ally of intelligence activities. Week before last, the Senate Select Committee published an unclassified report on the state of intelligence, issued it to the full Senate, and thence out into the public. It had some criticisms to make. Basically, the bottom line was that the Intelligence Community is under control of its managers and is responding well to oversight. Now that is a kind of a left-handed, back-of-the-hand compliment as far as we are concerned but it is a supportive statement. It is the first official statement by any body of the U.S. Government concerning the state of intelligence activities, and I think we should take heart in that.

Another plus. Clandestine service officers, for years, have been breaking their backs trying to obtain for us "hard" sources who can get close to the rich kind of data that we need to turn out the best possible intelligence useful to the President; and it is not easy -- hard work in backwater areas, lots of sacrifice, lots of human relations, lots of disappointments. But because of those efforts, because of that work, for the first time in the last year or so, we have had significant payoff; and I only wish that the necessary secrecy and security that surrounds that payoff could be lessened, to the extent possible, to make it more widely available to you and to those in the public. But to a man in my position who sees the payoff from that, who sees the way it's impacting on what the Presidential input is, it is remarkable progress; and our colleagues in the Operations Directorate deserve all conceivable kudos for that. Meanwhile, the technology It fell my fortunate lot to carry to the President, continues to astound. Approved For Release 2004/07/08: CIA-RDP80M00165A002600110017-7

the day after inauguration,

pass back to you in the Agency and to the Community.

Another plus. Our recruitment is up. There is a great deal of talent available to bring in as recruits to refresh ourselves -- new blood. The quality of those who join us has never been higher.

Another plus. As I mentioned, the Senate Select Committee found us essentially in compliance with new directives, new regulations -- under control. Our own Inspector General, in the first year of his work after the issuance of the Executive Order, has taken soundings throughout the Agency and has come to the same finding -- the same basic finding that we are in general compliance with what is expected of us. Definitions of some parts of the Executive Order and our own regulations are yet to be made as fully as we would like. There are some vagaries; there are some uncertainties. But that will change with the passage of time and experience and we will tighten them. We will sharpen them. You will understand what is expected of you. But in the main, the message is we are in compliance.

Another plus, and to me this is the most fundamental of them all. All hands in this city -- Executive Department, Congress -- agree that the functions carried out in this Agency, by you, are essential to this Nation's security and safety. There is no doubt about that. Two years ago, people were raising basic questions as to whether some of our functions, if not the entire Agency, could possibly be allowed to survive in a Democratic society.

We went through that crucible; we were tested, examined. Everyone agrees that your functions, our functions, are absolutely essential, and no ax will be taken to them.

Now some minuses. The Senate Select Committee is a model of Congressional oversight. The House is a shambles, with no promise that there will be the creation of a similar committee on the House side. We still have too many House committees to report to, too much proliferation of sensitive intelligent data. It is agreed in the House leadership. The President has asked the House leadership to create a Select Committee along the lines of the Senate, but the House has a lot of priority tasks and I am not sure that that stands very high among them, so we may have to wait -- more time, more terms -- before we get that.

Another minus. Disclosures continue to hurt. I got a chance to tell the President one time earlier this year, when we were talking about the harm done by some of the disclosures, that unfortunately, the price of oversight seems to be the greater risk of leaks -- the more people one has to tell, the greater the chance it will come unstuck.

Another minus. For the first time since my advent to this particular job as Deputy Director, I sense a spirit of demoralization beginning to set in among some of you. That is new to me. I have tried to be very upbeat, maybe even pollyanish, about the state of the mood of you who work in the vineyards; but I think that this demoralization, if it is there, stems from the kinds of uncertainties I described at the outset.

And this brings me to our new Director, Admiral Turner. He is an outsider. He is new to intelligence. He is a man who will always challenge the conventional wisdom. No bottom line view will satisfy him. No net suggestion will meet all of his questions. He wants options and alternatives in answer to his questions, which are many. Before agreeing to sit down and talk with individuals about problems or issues, he wants to be, in his words, up to speed on the issues; and he wants paper in order to stoke himself full of as much data, information, points of view as he can before he sits down to talk. And with all of his questions and demands for paper, he has imposed a sizeable workload on all of you.

He has a Navy staff. He has brought in several people along with him.

They are men who have worked with him before; they understand him, he understands them. They communicate well together. The problem is that neither he nor his staff communicates well with us in the culture or vice versa. So there is a communications problem between the Director, his staff, and the rest of us.

It is true that he spends three days here at Headquarters, the remaining two at the Executive Office Building. And it is true, to the extent that he is away from the premises here, that he is beyond our ability to consult with easily. We miss the kind of day-to-day guidance that should flow from a Director. But the upside of his two days at the Executive Office Building is that it underlines his ability to maintain frequent access to the President which is absolutely essential to a DCI in these days in getting his job done. He sees the President twice a week; he meets frequently with Cabinet members; the Director attends Cabinet meetings, unlike previous Directors; and he is

walking a beat that no previous Director has ever really walked before.

His goals are rather simple and laudable. One is, he wants to restore the credibility and luster of the intelligence image. The second, he wants to ensure that he understands and is in control of the Intelligence Community and its activities. And this is a concept that troubles him. A process that is as far flung as it is, through a variety of agencies and departments domestic and foreign -- and given the kind of history of occasional abuses, one can understand how he would put front and center his concern as to how one gets in control of that process and can attest to the fact that it is all being done properly and legally. His third goal is to reorganize, as appropriate. The time probably never has been as ripe as it is now for change if change is found to be in the best interest. The President stands for reorganization. The President has told Admiral Turner to think big about any realignment or change in intelligence activities. And the Director's fourth goal is to maintain the very close ties, support we now get to and from the President. He is after all, as Director, the principal foreign intelligen advisor to the President, and he is playing that role to the hilt.

Well, all of us have to wish Admiral Turner well with respect to these goals. To the extent he succeeds, we succeed with him. In frankness, until he understands us better and comprehends the nature of the intelligence world better, he does not feel that he can simply stand up and assert that all is well and totally proper and legal in everything going on beneath him. He wants to take his time to reach his own judgment on that. I think this is an understandable attitude, but it is seen by many in the Agency as one built on distrust, suspicion, dislike; finds us unsavory, questionable, dubiousAppAnderForTRUGASCODALOGOS. CIA-RDP80M00165A002600110017-7

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There have been two events of rather recent vintage that have had a rather large impact on each and every one of us in this respect. One had to do with the requested resignations of the two employees growing out of the Wilson affair. I am not going to dwell on that right now. If in the question-and-answer period you would like me to, I will. I think it has been well enough explained by the Admiral on this stage and also in employee notices that we have turned out. Second was the letter. 2 Inspector General investigated the charges of malfeasance that 2 made in that letter and found no grounds to them; but that was not the big issue in the minds of many of you. The big issue in the 2 letter is what he had to say about personnel management, stultification, lack of growth potential, career development. And that is a fair proposition that needs looking at. But in both cases, we have tended to polarize internally in the Agency and to take sides, to snipe at each other, to argue, maybe a little too vociferously: was the Director right or wrong in asking for those resignations? Is right or wrong with his fundamental thesis about personnel management?

Let me get back to Admiral Turner for just a moment. In past assignments in the Navy -- and after all he has acquired four stars in his Naval career which is no mean feat -- he has had a reputation for brains, a reputation for always challenging the conventional wisdom, accepting no shibboleth; but it all comes out okay and strong in the end. That is the picture of his Naval career. I have no doubt myself that all will come out okay for us now; but we have to work together to make the current period

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of his uncertainty and our uncertainty as brief as possible.

I will make a confession to you. At top levels in the Agency for the last six months or more, really since election time in November, we have been somewhat adrift. Beginning in July last year, after the issuance of the Executive Order, in my own advent into this position where I was told by Director Bush to try to concert the Agency in new and different ways from a management standpoint, I think we took a lot of new initiatives, made a lot of decisions, struck some changes, most of them constructive. Most of them I would do again if we had it all to do over again. But, beginning in November with the elections, we could see a new Administration coming to power. We knew that we would have a new Director when that happened. We had the transition to go through; and then we had a period of time until March when Admiral Turner was confirmed when the maximum challenge was to relate intelligence to the new Administration without seizing on a whole lot of new initiatives; preserving the territory really for a new Director when he arrived. still have uncertainty. The Director and I are still trying to hack away at what the basic policy concepts should be for the Agency as we look to the But the time has come for us to get the train back on the tracks and we are going to get our Executive Advisory Group, the vehicle that we have for dealing with Agency problems, back in harness and tackling some of our key problems. I do not think it would come to any surprise to you that I do think the single most important problem we have got to deal with now is the personnel management process within the Agency, as symbolized very much by the argumentation that has grown up and around the thesis. And we will start this week looking at various issues related to career paths, opportunities, probationary periods for new employees, up-or-out early retirement regular retirement, and a variety of priorities that need to be addressed, and soon.

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Let me turn now toorganizational prospects and wast seems to be in the wind. In the Senate Select Committee, there is move-a-foot to put everything into written law. Charters for each and every member of the Intelligence Community so that it can be made very clear the extent of the reservation. The feeling on the part of the Senate Select Committee is that many of the past abuses were caused by the fact that intelligence agencies did not really know where their turf began and ended and some stepped beyond boundaries in doing things that got them into trouble. They foresee the need for a greatly strengthened DCI. Though the plumbing and heating in administrative arrangements that would underline that are very murky in the Senate Select Committee's attention to this, they are trying very hard to have something on the floor of the Senate to consider this summer. The Administration is trying equally hard to sort of slow that down, if not derail it, until the Administration can reach its own view on what it thinks the organization in the Intelligence Community should be, and there is, as you know, a threepart exercise underway in town now looking at three parts of the organizational problem -- one is the nature of the law behind intelligence, another is the nature of the job of DCI, and the third are to be alternative arrangements for the organization of the Intelligence Community. The hope is that that will all be done sometime later this month by the first of July.

At this stage, nothing is certain and the alternatives run all the way from leaving things more or less the way they are with some fine tuning on the theory that the Community is a healthy kind of organism -- it is not sick, we do not need anything terribly basic changed -- all the way over to the other extreme of centralizing more and more responsibilities under the DCI, an enhanced chief intelligence officer of the Government. So, I do not know where that will come out.

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I can share with you the way the DCI looks at the functions that he has got to carry out. He sees them in three boxes and one can see an organization which would begin to fit these three essential functions. One is collection, one is production, and one is resource management, requirements, and evaluation. In our functional terms, you can think of the DDO, parts of the DDS&T, as being in collection, the DDI and the NIOs being in production, and the IC Staff in the resource management tasking and evaluation. The important thing, and here I return to the theme I tried to strike earlier, is that all of the functions of the Agency as we know it will be preserved. The work you do will be preserved. No matter what realignment in the work you do, the functions you carry out will be at the heart and center of whatever the new alignment of the Nation's Intelligence Community proves to be.

Let me come down to this final word. We have, all of us, been through one whale of a lot the last two plus years. In 1975 we were not even sure we would have a CIA, but we went through the crucible, we went through the testing, we continued all through that period to turn out the product, to collect the information. We endured and we have got to continue to endure. The process involved in all this is simply too important to let down now. We cannot be daunted. We have got to be creative, imaginative, flexible.

It may be that in the current environment and with the shortage of resources that many of your creative ideas will encounter a no, but you have got to put those ideas forward. We cannot turn inward, begin devouring each other. We have got to face our problems together in a constructive way and find solutions together. Surely there is enough communication built into our formal and informal networks through your supervisors, around your Approved For Release 2004/07/08: CIA-RDP80M00165A002600110017-7

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supervisors, to your deputies, to me, to the Director, to the Inspector
General. You have got a variety of ways to sound off, we will be listening.
We have got to work this problem together. I will be glad to take your
questions.

Q Mr. Knoche, would you care to elaborate more on your personnel management problems?

The question was would I care to elaborate some more on personnel Α management problems. Yes. And let me sort of ramble in answering that one. One of the first things I did when I took this assignment was to worry about whether or not the personnel function was properly placed in the Agency. I still have some concerns about that. And I have been reading a lot of literature which indicated that the personnel function was being placed front and center in more and more organizations within the Government and within industry; and I wanted to find out more about that. So I asked Fred Janney to assemble a group of heads of personnel offices from the Government and from industry where we could compare a few notes. We met with them the better part of a day; and in the course of that discussion I think that we imparted more to them than we learned from them. I don't want to sound smug when I say it, but if you look at the Agency's personnel system in terms of its recognition of star performers, fast promotions, training opportunities by percentage, by talent and by expertise, by general advancement and by general job satisfaction of the people who inhabit the place, we're pretty good. There's no getting around that. Now that's not to say there isn't a lot we can do better. Most of our problem, though not all of it, exists in the Operations Directorate; and it's not hard to see why. We're an outfit that's been kept to the ceiling for several years now. We're

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down from our peak period in 1969 on the order of from 20-25% of our people. We've lost a significant chunk of the world in Southeast Asia where we used to have large numbers of our people assigned. We've lost an ability to provide people in other parts of the world through ceilings on American presence. All of this has had the effect of sending back to Headquarters large numbers of officers, probably larger than the number of meaningful jobs that can be found for them in Headquarters. And so we have this terrible problem of trying to accommodate new blood coming in from outside into these crowded kinds of conditions; trying to relieve the pressure that a middle-level officer feels by the new blood coming in from above and the lack of opportunity -- I mean new blood from below -- and the lack of opportunity above; plus one other thing -- that in the higher ranks from 15 on up, the freeze on executive pay had made it very difficult for people to go on year after year -- but they did so; and then suddenly it broke loose this year -significant new pay raise. And people in those grades simply are going to want to stay on for the next three years to get the benefit of the high three. That would further constrict the ceiling and the headroom and the promotional opportunities for those down below. We've got to find a way to free this thing We've got to be a little tougher, a little more ruthless. In a probationary period of the first three years of an employee's career with us, if he or she shows an ineptitude or lack of capability for a career, during that three year probationary period, in our interest and in his or hers, to go on off and to leave with help from our personnel department in finding employment elsewhere. And I'm afraid that in the long sweep of things, all those supergrades and others who would like the benefits of the high three are not going to be able to be accommodated. We need to find ways of providing a greater flow and a greater degree of opportunity internally. And one of

the things that's tough about all this is that we really don't know how we use people in this Agency. We know how we use money; we control that very well. But you find lots of critics who say we have too many people in the Operations Directorate. Most of those critics are budgeteers, programmers from outside -- Congress in particular; but you'll find large numbers of people within DDO who would agree with that and who find alliance with the people who criticize it. Until we know with greater precision where we need our people; where we use our people; how we justify our people, it's hard for us to come up with an articulate personnel management development program. But these are the kinds of issues we've got to confront and find answers to.

Would you comment on the Ballou High School incident with regard Q to its implications for the private personal involvements of Agency personnel? The question was would I comment on the well publicized case of CIA A tutors of Ballou High School in the District. Yes, that has become a controversial thing and I am sorry that it has. I think it is a well justified program and it relates to directions received from the Civil Service Commission which in connection with the Affirmative Action Programs which are grounded in law requested that all agencies of Government do what they can in a community-relations program, to develop community understanding of the Government, to help in the development of employment resources, potential for Government hiring. And it was in full accord with the spirit and the letter of that thing that NPIC, which resides in the inner city, and employs so many from the inner city undertook to provide some of its talented computer people to go into the schools and help teach and help tutor. It was done with the full understanding of the Principal of Ballou. It was

done with the understanding that we might take some heat on this but with the full understanding, at least on my part, that it was a well justified program and we are explaining it now to Congressmen who have voiced concern. We have done our best to explain it to reporters who love to build controversy around stories of this kind. And I think that there is no need for us to feel embarrassed about it whatsoever. I think that we can be proud of it.

Q You mentioned two concerns that people have regarding Admiral Turner, but I think that there is a third one which has to do with the question of how long his tenure is likely to be. That was touched on in the Evans-Novack piece in yesterday's Post and I think there is possibly a tendency on the part of some to assume that the man will be leaving for greater glory a year from now and to adopt an attitude of just hunkering down and waiting for the storm to blow over.

A The thought was expressed that there is another concern about Admiral Turner internally and that is that he is here for a short term, headed for a different assignment as reflected in the Evans-Novack article yesterday morning and one of the best things that we can all do is just hunker down and wait for the passage of time and his eventual move. What I can tell you about that is that I think that is very unwise of us. In the first place speaking very frankly with you with the Sorensen nomination having fallen apart the way it did back in December and January, the President for political reasons has to be solidly behind the Turner appointment and is. I mean that this man has very solid Presidential backing and we are the stronger institution for that fact. When he appeared before the Senate Select Committee in his confirmation hearings, Admiral Turner disavowed any thought of moving to any other position. Now he serves as most other Presidential Approved For Release 204407/08: CIA-RDP80M00165A002600110017-7

appointees do at the pleasure of the President. As he says for 31 years as a naval officer he would always have been willing to respond to whatever the President might ask him to do. And he would be a fool to take any other position in that right now. That is if the President should ask him to take something else he would do it. As far as he is concerned though he is here for the long haul. He knows that there are major problems confronting the Community and that major decisions must be made now, and then comes the difficult task of following through on the decisions. In my judgment the results of my kinds of discussions and talks with him, I don't think there is a shred of substance to the Evans-Novack thesis that he wants to move shortly into some other kind of position. So I think all of us should be guided with the intention of respecting and following a Director who we must think of as here for the long haul.

Q Last week we all saw the CBS camera crews and everything near the building. Does this indicate a new sort of public relations policy on the part of the Agency. And secondly, do we have any early indications on how the CBS piece is going to come out.

A Yes. You always have to worry about how those CBS things or any other television documentary is going to come out. Because what is left on the cutting room floor is very often the story we would like to tell. But we do have the right to prior review of the final tape. I guess it is for security reasons. We may not be able to have any final say on context, but I hope that comes out pretty well. I know that it made a lot of you uncomfortable, particularly those of you under cover. We have tried to honor

It is true that in keeping with his goal of greater credibility, greater public understanding, restoring the luster and image of the place, that Director Turner is very interested in what he calls "outreach" to the There will be more and more unclassified reporting with a due regard public. for the protection of sources and methods. The oil memorandum -- a perfect example. And he knows we are going to have to take some criticism and some heat from those who will say that we are politicizing the process or propagandizing the American people but he believes that the American people have a right to know how competent and capable much of this analytical work we do can be in informing the American public on difficult issues. He thinks there is more to be described about our process; the nature of our people. We will be conferring with more professional groups, professors, businessmen. lawyers, bankers. I do not think we will get to the point of being quite totally open to the public but there will be more of that under a reasonably controlled circumstance than we have ever had in the past. We will take some criticism from it for a while, but the long range effect in Admiral Turner's view and in mine too I think will be net good. we could get that matched, I might add my own view, if we could get that matched with some kind of new law -- new understanding about the need to protect sources and methods, I would feel much better if we had both those things going at the same time and that is not really in the cards right now.

Q If I may speak as just one middle-level type individual, I really admire you for being so frank with us today. I can think of a lot of corporations where the president of the company wouldn't come out and speak the way you have been with us. But I don't think we've been exactly fair Approved For Release 2004/07/08: CIA-RDP 80M00165A002600110017-7

to you in giving you the same kind of response back. I think there should be, for example, in the EAG, a Department of "The Emperor Has No Clothes" because we go along and play a game here with you and with senior management which I think we should stop. Since you're making a start today, I'd like to make one.

For example, I just noted a few things that came to my mind as we were listening to you today. One is the absolute disaster that the Intelligence Community is in with respect to the coordination of the activities that are going on. For example, we're collecting in Science & Technology political areas and economic areas whereas the State is not fulfilling its charter; the Department of Commerce is not doing what it should be doing: DIA is not doing what it should be doing. But as long as we're at the same level and we have to balance our political equities and how many nickels we have, we are making compromises and doing things, say in DDO, that could very well be done by an overt collection officer. We have to stop that sort of thing while we're addressing these problems of reorganization today and in the future; we must think very seriously I think if you talk to many people at my level and below -about that. colleagues -- you would hear those kinds of things. But they're almost so obvious that it seems silly for me to stand up and say it. But I think it needs to be said.

And another point on that is security. Probably the people who are the most secure from a cover standpoint are the people who never leave this building. The DDI Analyst has probably a much better cover record than any of us who've been overseas. I'm sure that if it weren't for good liaison relationships, many of our posts could be rolled up overnight,

and I can give you some examples but I think it's quite obvious. The cover we maintain overseas is kind of a game we play with the local servants.

I think I should stop there. (Applause)

Well, I appreciate it -- I think those were excellent ideas. You say they're obvious -- they are indeed obvious -- they're also extremely difficult bureaucratically to do much about, but we'll take a whack at 'em and I'm glad you surfaced them and gave them to us to chew on. Let me say I appreciate what you had to say about my own efforts here. I'd like to do this more often. I want to...you can't come to an audience like this -a CIA audience -- and bugle. One thing I know about it, being a part of you for as long as I have been, you don't BS the CIA crowd. I want to come to you when there are problems to discuss and when there are some achievements to talk about. I hope I've given you a fair impression. I've tried to level with you on both the good news and the bad news; and in my judgment the good news does outweigh the bad news. I know that there are dangers in what I've tried to do here today. There's a Murphy's Law that operates. Some of you -- if you can misunderstand what I had to say here today, you will misunderstand it. I have not tried to be super critical of the Admiral -to do him in -- to do him an injustice. I find myself sympathetic for the feelings he has, the concerns he has, and I repeat to you again that it is not one of trying to figure out what makes him different -- it's a question of trying to figure out how he becomes one of us -- with our understanding, with our knowledge and with our hopes. Thanks a lot. (Applause)

Eunice: For your records....

this is a copy of the transcript of Mr. Knoche's 5/31/77 speech in the Auditorium.